THE DEFENDANT: Your Honor, I feel like I'm being deprived of my Sixth Amendment right to co-counsel of my choice, your Honor. I have to state that for the record, that it's against my wishes that this man be allowed to withdraw. I've been deprived of a co-counsel and given another stand by counsel, which is of no legal benefit to me.

THE COURT: Do you know why – do you recall why Mr. Cantrell asked to withdraw?

THE DEFENDANT: I certainly do, your Honor.

THE COURT: And what is our recollection?

THE DEFENDANT: Because there was no extension. He said if you don't get an extension and allow us more time to go through this discovery I'm going to withdraw.

THE COURT: He said he could not prepare for trial in the time.

THE DEFENDANT: That's correct. And our Honor then granted both the extension and the withdrawal motion, and it still puzzles me. But I would restate, your Honor, that I'm being deprived of my Sixth Amendment right to the co-counsel of my choice.

APPENDIX "D"

TRANSCRIPT OF THE 08/02/2004 PROCEEDING

Petitioner's Good Faith Belief

TRIAL TRANSCRIPT

Testimonial Evidence of Good Faith

[THE DEFENDANT] I believe when a jury sees this whole thing and hears my cross examination of their very witnesses and sees the material and see the evidence and sees and hears what was done in this business, that I will be acquitted.

Q. Please?

A. "The purpose of this letter is to verify in writing the substance of our telephone conversations concerning the terms of your employment with Louis Allen and Company. Our position concerning our employees and homeworker trainees is simple and clear. You are hereby authorized to do anything and everything necessary to assure fair and equitable treatment of our employees and homeworker trainees. To repeat, anything and everything," capitalized and underlined.

"If there was a simpler, clearer way to state this, I would use it. You are authorized to do whatever it takes to help our homeworker trainees complete their Training and Aftercare preparation program and begin working.

"You are further authorized to do whatever it takes to make sure that once they begin working, they make the guaranteed weekly income at the income level they have selected.

"Additionally, you are authorized and expected to pay all bonuses earned and reimbursed, all legitimate expenses according to the terms of the employment.

"Let me also clearly state that all legitimate, documented disputes are to be settled in favor of the employee and/or homeworker trainee.

"Our company policy is simple and clear. Do whatever it takes, spend whatever is necessary to assure their successful training and employment.

"We are glad to have you with us. Keep up the fine work.

"Your friend, Louis Allen, president.

"P.S. The enclosed packet is to be given to any legitimate investigating governmental agency. You are not authorized to enter into any verbal communications with anyone regarding our business operation, because we have been instructed by our legal counsel to maintain a full and complete written record of any and all communications between our company and any investigating governmental agency and that all communications must be through our legal department. You are to simply had them the packet, read them this portion of the letter you are holding and end the encounter."

Q. Would that be a fair summary of how I told you to run the business, your portion of it?

A. Probably.

Q. Did you do that?

A. Did I give this letter to them?

Q. No, no. Did you do what I asked you to do in the letter?

A. I think I worked very hard at the job that I was given.

Q. I do too.

Q. Exhibit 433. Have you seen these figures before?

A. Yes.

Q. What do they represent?

A. Basically tells how many applications were received for the

months of April, May and June; how much total money cam in, how much of it was Mr. Allen's, how much of it was mine; the amount paid out in bonus and reimbursements, and then they amounts that were paid out to the three people who were working for us.

Q. Did this reflect the change in activity after the search warrant

was served on Teresa Patton in Akron, Alabama?

A. Yes.

Q. Does this reflect the mail that was then forwarded to you?

A. Yes.

Q. Can you tell us, for that three-month period of time that is reflected, how many applications came to your center?

A. 17,890.

Q. How much money came in?

A. A total of $225,387.25.

Q. Of that amount, how much went to Mr. Allen?

A. $133,572.50, less half of the bonus and reimbursements.

Q. How much went to you?

A. $90,250, less the bonus and reimbursements.

Q. The bonuses paid out?

A. Paid out a total of $25,563.36.

Q. The reimbursements?

A. $9,127.50.

Q. Who is Peggy?

A. She worked the help line.

Q. Was that Peggy Shields?

A. Yes.

Q. How much did you pay her?

A. $474.

Q. Who is Angie?

A. She also worked the help line, Angela Anderson.

Q. How much did you pay her?

A. $1,976.36

Q. Who is Valerie?

A. Valerie, I believe she was Teresa's granddaughter or niece.

She did the refunds.

Q. How much did you pay her?

A. $2,855.99.

Q. Ms. Briscoe, did there come a time – let me back up. When

you were a homeworker, how many applications did you process?

A. Probably about a thousand.

Q. AT $25 each?

A. Yes.

Q. Now, then, during the period of time that you were in business, running ads, did anyone ever show up wanting their envelopes?

A. One person.

Q. Can you tell us approximately when that was?

A. A day or two before the postal inspector cam to my home, so around June 20th, 23rd.

Q. Tell us the circumstances.

A. I don't remember his name. He drove from – I'm not even

sure I remember the state; Ohio, I think. And he went to the address of my Mail Boxes Etc. They wouldn't give him my

home address, so they called me from there. He said that he was just wanting to speak with me. He didn't really specify why, and it kind of freaked me out a little bit.

So I told him that I couldn't come down there and meet with him, but I was very open to speaking with him, and if he wanted to talk to me, he just needed to call me. But I didn't feel comfortable with going down there and meeting with him.

Q. Did you talk to him on the phone?

A. No, I never heard from him again, because the postal inspector came shortly after.

Q. Why was he here?

A. He didn't really specify. He said he just wanted more information, wanted to know about where his envelopes were. That was pretty much it.

MR. ROBINSON: That's all, Your Honor.

THE COURT: Cross-examination, Mr. Chavis

CROSS EXAMINATION

BY MR. CHAVIS:

Q. Tammy.

Okay, you worked, you started out as a homeworker?

A. Yes.

Q. And you worked between – you said between nine months

and a year, and you worked your way up; you called the homeworker hot line, help line, somebody called you back, everything went well?

A. Yes, sir.

Q. You believed in the program, I assume, did you not?

A. Yes.

Q. You stated that the company, me, John and I, made all the refunds; is that correct?

A. Yes.

Q. And that you became a center in February of '03 and started

out with 100 to 200 pieces of mail a week. The next big change in that would have occurred, I suppose, would it not, right after the April raid on the Alabama –

A. Correct.

Q. Did you still believe in the program?

A. Yes.

Q. Then for the months of April and May and most of June, you

took on the refunds and the Better Business Bureau inquiries and complaints and the attorney general inquiries and complaints, and that swelled the volume considerably?

A. Yes.

Q. Approximately how many of those complaints did you

handle on a weekly or daily, or however you remember, basis?

A. Which ones, refunds, or just complaints from Better Business Bureau?

Q. Just – even inquiries – well, complaints.

A. Complaints from Better Business Bureaus, or D.A.'s or whoever, I probably sent out 30 to 50 letters a week addressing inquiries that had come from that.

Q. And you had 400 active homeworkers transferred from Alabama?

A. Correct.

Q. From previous testimony, from the postal inspector, we know that there were 700 active homeworkers at the time they shut it down, so you lost 300. Was there any conversation with Teresa about that?

A. No, we just assumed that was going to happen. I mean with

all of the lost paperwork, we figured a lot of the people would drop off.

Q. Because they took all the paperwork, all the money out of the bank, everything.

A. Right

Q. From Alabama.

Government's Exhibit 401, you manned or you oversaw, I suppose we should say, the homeworker help line, hot line?

A. Yes.

Q. And these were frequently-asked questions?

A. Uh-huh.

Q. Frequent concerns?

A. Yes.

Q. To the best of your knowledge, was every response being handled, was every call returned?

A. Yes.

Q. 403. This was a response when someone requested a refund?

A. Correct.

Q. This came out of the Akron, Alabama office, so this must have been before April?

A. Right.

Q. Were you using pretty much the same material after April, when it was moved to Cottondale, --

A. Yes.

Q. – or do you recall?

A. Yes, yes.

Q. Now, you had mentioned – I recall some conversation about

this – you said that I had told you not to make over $3,000 worth of refunds a week?

A. You preferred to keep it at $3,000 a week.

Q. Yeah, I was trying to limit it to $3,000 a week.

A. Right

Q. But did you understand that to mean that I was telling you to refuse refunds?

A. No.

Q. Just carry them over to the next week?

A. Right.

Q. Yeah, okay. I just wanted to be sure. You didn't ever refuse anyone a refund, did you?

A. No.

Q. Did you ever refuse anyone a bonus check or a reimbursement check or any kind of remuneration?

A. No.

Q. No. 405. I should get you to read that, since it's not up on the screen, but it's – I'll just critique it. "Recently we received correspondence asking if any other positions were" --

MR. ROBINSON: Tour honor, I don't believe it's proper for Mr. Chavis to read this, he should be asking questions.

Q. (By Mr. Chavis) Would you just read the first part –

THE COURT: Sustained, sustained.

MR. CHAVIS: Sorry, Your Honor.

A. Yes.

Q. Thank you.

And 422, please.

One further question regarding that formula. You wrote a lot of bonus checks and a lot of reimbursement checks?

A. Yes, I did.

Q. Were the active homeworkers who pursued this program making money?

A. Yes.

Q. My question on Government's Exhibit 422 – and I would ask you to identify it for the jury, if you'd read that first paragraph.

A. "Dear Homeworker, as I started in an earlier letter that I hope you all received, we are under new management. We anticipate that the changes made in our program will be beneficial to you. Due to the changes in our management and other departments, we are merging our two centers in Oklahoma, which will have a new name and address. The new address is – "

Q. That's good. What was the date that this was – that you began using this, do you recall?

A. I never actually got to use it. I had all the packets made up,

but the postal inspector came to my house before I was able to get them in the mail.

Q. Thank you.

Tammy, when is the last time that you and I spoke on the

circumstances, intentionally set out to defraud anybody?

A. No.

Q. Thank you.

Did I ever give you any instructions as to what to do if a homeworker ever asked you – or ever told you that they didn't have the money for advertising or any start-up costs?

A. Yes, you said for me to provide it for them.

Q. That the company would prepare all of their costs?

A. Correct.

Q. Did you ever do that?

A. I think I paid for advertising for a few people and paid for some rubber stamps.

Q. Thank you.

Did you receive a copy of what we called "the packet" that you were to give any postal inspector?

A. Yes, I did.

MR. CHAVIS: Your Honor, I have some material from that packet I'd like for her to read. I believe it's been entered into exhibits already.

THE COURT: It's admitted into evidence? If you could just identify it, Mr. Chavis, for the record.

MR. CHAVIS: These are the testimonial letters. There are 12 of them.

THE COURT: Have they been admitted into evidence by a number?

MR. CHAVIS: I believe they've been admitted by the Government.

THE COURT: Is that correct, Mr. Robinson?

MR. ROBINSON: If they're in the packet, they have been admitted, Your Honor, but I don't know which bones he's talking about.

THE COURT: Why don't we number them, the 12 that he has, 12-A, 12-B, 12-C, like that, for the record.

Do you have exhibit stickers on these ?

MR. CHAVIS: I have them on the front.

I move to enter these as exhibits.

THE COURT: Is there any objection? I understand there may be a duplicate between the Government's exhibit, which may have been a volume exhibit. Any objection to the admission of n12 – what are your numbers, 12-A through – A through L?

MR. CHAVIS: I numbered them K-1, 2, 3.

THE COURT: Okay. It is K what?

MR. CHAVIS: I think it's 14.

THE COURT: K-1 through 14. Any objection?

MR. ROBINSON: Yes ma'am. I do not believe – if we are talking about Exhibit 25, the packet, I do not believe that all of these went n with this packet. If they didn't go in, I object on the grounds of foundation and hearsay.

MR. CHAVIS: They were given to me by the Government.

THE COURT: I understand. I'll overrule the objection. I will admit Defendant's Exhibits K-1 through K-14.

Q. (By Mr. Chavis) I would like to ask you to read those, please.

A. The first page days, "Dear Mr. Chavis, pursuant to the Court's order"--

Q. Well, let's just – you don't have to read that.

A. Okay.

"September 19, 2002.

"Dear sir, I am sending in a total of 31 orders this week. This gives me a total of 54 orders sent to you since my business began. This entitles me to my first reimbursement check of

$107.50, in addiction to a bonus check of $50 for sending in over 25 orders this week. Thank you for this opportunity. It does take advertising and a little work, but it is giving me a nice second job."

"Sincerely, Brett Roberts."

This one's kind of smeared a little bit. "To whom it may concern –"

THE COURT: She needs to identify – Mr. Chavis, we need to have them identified by the –

THE WITNESS: Number?

THE COURT: Yes, please.

THE WITNESS: Okay. This is K-3.

A. "To whom it may concern: In response to your recent communication regarding my business activities, I would like to request a written description of how my company is on violation of mail fraud statues. Please be specific, so that I can address all issues.

"Let me state emphatically that this program works. It is honest and fair. It lives up to every claim, fulfills every promise, makes every bonus payment and reimbursement, every authorized legitimate expense. I have tried other programs of only honest and fair, but not effective. I am making the money promised, and so are the people I am hiring for other companies.

"Please put any and all concerns, questions, and/or

objections in writing, clearly stated, and we will address them. We will make any reasonable and appropriate changes requested in out materials. We will answer any and all questions raised. We will address any and all concerns you may have. All we ask is that everything be clearly stated in writing. Our response will be the same, giving each of us a clear, written record of all communications between us.

"Awaiting your reply, I remain willing and eager to cooperate with your agency's investigation in any and every way possible.

"Sincerely, Jackie Earls."

This is K-4, dated September 12, 2002, Debra Valdez.

I give my word as much and as hard for your company. Thank you for giving me this chance.

"Tomeka Murphy."

This is K-6.

"To whom is may concern: My name is Tammy Briscoe. I have been working with the envelope stuffers for a little over four months now. When I first began doing this, I was not really expecting much, but thought that I would try it for a little while before giving up on it. Much to my surprise, it has really worked out for me. The company has fulfilled everything that they said they would do as far as bonus checks and reimbursement checks. They have also been very supportive if I have any questions or

problems, and it is nice to be able to actually speak with someone.

"My first week at this was a little rocky, but I have been making over $2,000 a month, plus bonuses now, for almost three months, and that is more than I expected when I started. I feel fortunate to have been given the opportunity for this position, and plan to continue doing this for a while. It is because of the extra income from envelope stuffers that I am able to continue staying at home with my son. I have been very impressed with this company, and hope that my work for the company will be satisfactory as well.

"Thank you for this opportunity. Tammy Briscoe."

Q. I want to interrupt just for a second. That letter is from you.

Did you write it yourself?

A. Yes.

Q. Is it true?

A. Yes.

Q. Did I ask you for that letter?

A. Teresa asked me to write a testimonial.

Q. Thank you.

A. Continue?

Q. Please.

A. This is K-7, it's dated November 10, 2002. And it's got a

header of "A. Earls" on it.

"To whom is may concern: The first of this year I retired from a full-time job after 32 years. For the past seven of those years, I held down a part-time job. I never had time for my family or myself. Once retired, my income decreased by half, so I began searching for a work-at-home job. I found your company, sent in my application and $24 deposit, and have not regretted my decision.

"After following the instructions and all the directions that were asked of me, this job has worked out quite well. The income I receive helps pay my bills and lets me achieve my goals. Your company has fulfilled all of the promises that were made to me. Like it says, if I do my part, they will do theirs.

"I have been working for your company for over six months now and have never looked back. I want to thank you for giving me this opportunity to better my way fo life. I also want to thank my supervisor and her staff for being there. She has given her undivided support to me and to all of her active homeworkers. She is greatly appreciated.

"Sincerely, A. Earls."

This is K-8.

MR. ROBINSON: Excuse me, Your Honor. The Government would stipulate

that the rest of the exhibits, the same tenor is conveyed in most of them.

THE COURT: Do you accept the stipulation?

MR. CHAVIS: I want them read, Your Honor.

THE COURT:

Very well.

A. This is K-8.

"I would like to thank you for the opportunity to have my own business. It's been blessing for us.

"Reggie an Carolyn."

This is K-9, it's dated 9/26/02.

"To whom is may concern: Thank you for your support and job offer and letting me see how you work. I found a job at home that I trust. I had 50 responses in the first week, and now I have been waiting for a deposit/application to come back, but getting more everyday.

"Thanks again. I have time with my children and husband. They love it, too.

"A. Bush."

This is K-10. And it says:

"Teresa, thank you very, very much for your kind help

(financial). The month's ad in the OK Gazette and the check are truly appreciated. I could not have gone on without that help. I promise I will come through for you, and I promise this –" I can't read that word – something – "check enclosed is good/not rubber.

"Sincerely, Sid Omar."

This is K-11, and it's dated March 8, 2003.

"To whom it may concern: I have been with this company since September 2002. This kind of home employment lets me work at my own pace and choose the hours. Everyone I have dealt with has been very helpful in answering my questions I had. And so far, the company has done everything they said they would. My bonus checks are always correct, and I average between $300n and $500 a week. I fully expect to be earning more very soon.

"Mary. Kentucky."

And below that, it says, "You have my permission yo use this letter anyway you choose."

K-12 is the same letter.

Q. (By Mr. Chavis) Sorry?

A. It's the same letter. Do you want me to read it again?

Q. No, no. I'm sorry.

A. K-13 is dated March 10, 2003.

"To whom it may concern: I have been stuffing envelopes for a few months with this company and have received all money

ad bonus that is promised. I work from home, which has enabled me to help care for my 100-year-old grandmother and my child. I work a few hours a day and usually make about $500 a week after expenses.

"The training was simple and helped me get set up for working at home. I receive envelopes and stamps, as well it I have any questions, there is a phone number I can call and have someone return my call in person. I have to turn in weekly reports. I never have to worry about refunds. I just send it to me. I am very happy with working with this company.

"Rosanna. Missouri."

Q. Can I stop you just a minute?

A. Uh-huh.

Q. She made reference to receiving stamps. Did you regularly send out stamps to those homeworkers who requested or needed them?

A. If they requested them, yes.

Q. Free stamps?

A. Yes.

Q. Thank you. Go ahead.

A. And K-14 is also the same letter.

APPENDIX "E"

TRANSCRIPT OF THE 08/02/2004 PROCEEDING

Statement Of Need For Co-Counsel

THE DEFENDANT: I go a co-counsel because I thought

I needed one. A friend helped me with that. We have paid this man and now you are just letting him go and are going to continue the trial again, Your Honor.

APPENDIX "F"

TRANSCRIPT OF THE 08/02/2004 PROCEEDING

No Consent To Stand By Counsel

By way of a brief history, the Court had appointed a stand-by counsel for Mr. Chavis, who Mr. Chavis later indicated to the Court he did not want / need ....

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What the Court is going to do – I have asked Ms. Tyhurst to be here. I know that you, Mr. Chavis, did not ask this Court for stand-by counsel. The Court gave you its spiel the last time about how important it believes it is to have some level of advise, especially in a criminal matter. The Court appointed stand-by counsel.

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THE COURT: Very well. I'm going to allow Mr. – I'm going to permit - over your objection, Mr. Chavis, I'm going to permit Mr. Cantrell to withdraw as co-counsel, and I'm going to simultaneously reappoint Mr. Tyhurst as stand by counsel.

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